

***** T O P S E C R E T *****S COPY

OP IMMED

25X1

O 150227Z DEC 73 ZYM ZFF 174
FM THE SITUATION ROOM TOHAK 84

TO USDEL RIYADH

25X1

T O P S E C R E T/SENSITIVE CONTAINS CODEWORD

WH37598 TOHAK 84

DECEMBER 15, 1973

MEMORANDUM FOR SECRETARY KISSINGER

FROM: THE SITUATION ROOM

SUBJECT: MORNING REPORT

HANOI'S COMMENTARY ON YOUR MEETING WITH THO: THE HANOI PARTY DAILY TOOK A PREDICTABLY TOUGH LINE IN ITS INITIAL COMMENTARY ON THE FORTHCOMING MEETING BETWEEN LE DUC THO AND YOU. IN STRONG TERMS IT ATTRIBUTED ALL THE DIFFICULTIES OF THE PAST YEAR TO THE U.S. IN MUCH THE SAME LANGUAGE, IT ALSO ASSERTED THAT THE NEW ROUND OF TALKS WAS TAKING PLACE AT A U.S. INITIATIVE. AS THE PAPER HAS USED BEFORE EARLIER MEETINGS, IT CLAIMED THAT WASHINGTON COULD NOW TAKE ONE OF TWO PATHS: EITHER "SCRUPULOUSLY RESPECT" THE PARIS ACCORD AND THE JUNE 13 COMMUNIQUE OR CONTINUE TO "SUPPORT AND ENCOURAGE THE SAIGON ADMINISTRATION TO CONTINUE ITS MILITARY ADVENTURES." IN THE LATTER CASE, THE PAPER SAID, BOTH WASHINGTON AND SAIGON "WILL CERTAINLY SUSTAIN EVEN HEAVIER SETBACKS."

NSA Review
Completed

HIGH COST OF DEFENSE IN JAPAN: DESPITE CUTBACKS IN SEVERAL WEAPONS PROGRAMS, JAPAN'S DEFENSE BUDGET FOR 1974 WILL BE NEARLY \$4 BILLION FOR THE FIRST TIME IN THE 20-YEAR HISTORY OF THE SELF-DEFENSE FORCES. THE NEW BUDGET LARGELY REFLECTS HIGHER PRICES FOR NEW WEAPONS SYSTEMS. BECAUSE OF THIS, THE GOVERNMENT IS REEXAMINING ITS POLICY OF PROMOTING DOMESTIC PRODUCTION OF SUCH SYSTEMS AND MAY DO MORE PURCHASING ABROAD. THE FAST-RISING

***** WHSR COMMENT *****

SCOWCROFT, MCFARLANE, SECFILE

PSN:009436 RECALLED
PAGE 01

TOR:349/03:19Z

DTG:150227Z DEC 73

***** T O P S E C R E T *****S COPY

MORI/CDF -
C03342323

ON-FILE NSC RELEASE
INSTRUCTIONS APPLY

***** T O P S E C R E T *****S COPY

DEFENSE COSTS HAVE SPURRED LONG-STANDING POLITICAL OPPOSITION TO MILITARY SPENDING, AND EVEN A MAJORITY OF LEGISLATORS IN THE RULING LIBERAL DEMOCRATIC PARTY NOW OPPOSE ANY MORE MAJOR RISES. THE GOVERNMENT HAS ADHERED TO ITS PLEDGE TO HOLD DEFENSE SPENDING TO ONE PERCENT OF THE GROSS NATIONAL PRODUCT, BUT THE RAPIDLY GROWING ECONOMY HAS STILL ALLOWED LARGE ABSOLUTE INCREASES. JAPAN'S DEFENSE BUDGET, NEVERTHELESS, IS BELOW THAT OF MAJOR WESTERN EUROPEAN MILITARY POWERS.

SOVIET ANTIAIRCRAFT MACHINE GUN: THE SOVIETS HAVE DEVELOPED A LIGHTWEIGHT VERSION OF THE 14.5-MM ZPU-1 ANTIAIRCRAFT HEAVY

TOP SECRET-SENSITIVE
CONTAINS CODEWORD

TOP SECRET-SENSITIVE
CONTAINS CODEWORD

-2-

MACHINE GUN. ISRAEL CAPTURED AT LEAST TWO OF THE WEAPONS DURING THE OCTOBER MIDDLE EAST HOSTILITIES. IT IS DESIGNED FOR BOTH AIR DEFENSE AND GROUND SUPPORT. THE SIGHT HAS PROBABLE RANGE RINGS FOR 1,320, 2,310 AND 3,300 FEET. A GROUND-FIRE SCOPE HAS A WINDAGE KNOB GRADUATED BETWEEN LEFT AND RIGHT TO 10 MILS AND A RANGE KNOB GRADUATED UP TO 6,600 FEET.

25X1

PSN:009436

RECALLED
PAGE 02

TDR:349/03:19Z

DTG:150227Z DEC 73

***** T O P S E C R E T *****S COPY

***** T O P S E C R E T *****S COPY

WASHINGTON STAR-NEWS: GEORGE SHERMAN WRITES THAT THE NIXON ADMINISTRATION IS BRINGING HEAVY PRESSURE ON CONGRESS TO PASS THE \$2.2 BILLION ARMS BILL FOR ISRAEL BEFORE THE CHRISTMAS RECESS. KENNETH RUSH SAID THAT FAILURE TO ACT WOULD SURELY HURT PROGRESS IN THE GENEVA CONFERENCE. SFR CHAIRMAN FULBRIGHT SAID HE HAD RESERVATIONS ABOUT THE "WISDOM AND TIMING" OF THE ADMINISTRATION REQUEST.

FIFTEEN SENIOR SOUTH KOREAN POLITICANS, EDUCATORS, AND RELIGIOUS LEADERS HAVE CALLED FOR THE RESTORATION OF FULL DEMOCRACY BEFORE "A GRAVE NATIONAL CRISIS" OCCURS.

VENEZUELA REPORTEDLY IS CONSIDERING TAKING PART OF ITS MORE THAN 500,000 BARRELS-PER-DAY ROYALTY OIL AWAY FROM AMERICAN AND OTHER FOREIGN OIL COMPANIES.

25X1

A STAR EDITORIAL COMMENTS THAT THE SIGNALS FROM SOUTH VIETNAM ARE OMINIOUS AND NO ONE IN WASHINGTON OR SAIGON HAS ANY FIRM PREDICTION OF HANOI'S INTENTIONS AT THIS STAGE. THERE IS NO CALL AT THIS POINT FOR ANY DRAMATIC RESPONSE ON THE PART OF THE U.S.
800

PSN:009436 RECALLED
PAGE 03 OF 03 TOR:349/03:19Z DTG:150227Z DEC 73

***** T O P S E C R E T *****S COPY